

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 088898
ORIGIN EA-09

INFO OCT-01 ISO-00 TRSE-00 EB-08 DODE-00 ABF-01 FS-01
COME-00 IGA-02 /022 R

DRAFTED BY EA/J:EFEATHERSTONE:TREAS:CCROSSWHITE:KAM
APPROVED BY EA/J:WCSHERMAN
EB/IFD/OMA:TFORBORD
D/OSD/ISA:WBARRETT
DOD/OSD/COMPT:HKRAFT
A/BF/FC:JMANION

-----202010Z 030990 /43

P 201950Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY TOKYO PRIORITY
USARJ CAMP ZAMA JAPAN PRIORITY
INFO CINCPAC HONOLULU PRIORITY
COMNAVFORJAPAN YOKOSUKA PRIORITY

LIMITED OFFICIAL USE STATE 088898

E.O. 11652: N/A

TAGS: MARR, EFIN, JA, ABUD

SUBJECT: YEN ACQUISITION FOR U.S. FORCES JAPAN

JOINT STATE-DEFENSE-TREASURY MESSAGE

1. CINCPAC HAS INFORMED OSD THAT THE JAPANESE CHAIRMAN OF THE FINANCE SUBCOMMITTEE OF THE JOINT COMMITTEE IS PREPARED TO PROPOSE ABOLITION OF CURRENT INTERIM PROCEDURES FOR YEN ACQUISITION THROUGH BANK OF JAPAN FOR USFJ. USFJ WOULD HENCEFORTH ACQUIRE YEN ON THE COMMERCIAL MARKET.

2. JAPANESE ARE TAKING THIS INITIATIVE APPARENTLY AS
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 088898

RESULT OF DISCUSSIONS IN FEBRUARY IN WASHINGTON BETWEEN VICE MINISTER OF FINANCE MATSUKAWA AND UNDER SECRETARY OF TREASURY SOLOMON. THESE OFFICIALS AGREED THAT YEN EXCHANGE RATE SHOULD FREELY REFLECT SUPPLY AND DEMAND CONDITIONS. PRESENT USFJ ACQUISITION PROCEDURES RESULT IN NONMARKET TRANSACTIONS BECAUSE OF FACT THAT BOJ PLACES DOLLAR RECEIPTS IN ITS RESERVES, THEREBY INSULTATING THE MARKET FROM THIS

DEMAND FOR YEN WITH RESULTING DISTORTION OF THE MARKET RATE. ACCORDINGLY, THE JAPANESE ARE PREPARED TO PROPOSE ABOLITION OF THE 1971 INTERIM PROCEDURES.

3. EMBASSY AND COMMANDER U.S. FORCES, JAPAN, ARE AUTHORIZED TO EXPLORE THIS SUBJECT AS APPROPRIATE WITH MINISTRY OF FINANCE AND WITH BANKS, INCLUDING THE CONSIDERATION OF VARIOUS TECHNIQUES FOR ACQUIRING YEN IN THE MARKET, AND PROVIDE RECOMMENDATIONS FOR EFFECTING CHANGE AS SOON AS POSSIBLE.

4. DOD ALSO DESIRES THAT YOU EXPLORE THE POSSIBILITY OF AUTHORIZING MILITARY BANKING FACILITIES (MBFS) AS THE VEHICLE FOR ACQUIRING YEN ON THE MARKET.

5. TREASURY, WITH DOD ASSISTANCE AS REQUIRED, IS DEVELOPING AND WILL PROVIDE INFORMATION CONCERNING CURRENCY ACQUISITION PROCEDURES FOR LOCAL CURRENCIES IN OTHER COUNTRIES BESIDES JAPAN.

VANCE

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY PERSONNEL, MILITARY BASES, YEN (CURRENCY)
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE088898
Document Source: CORE
Document Unique ID: 00
Drafter: EFEATHERSTONE:TREAS:CCROSSWHITE:KAM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770137-0771
Format: TEL
From: STATE JOINT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770437/aaaabfrc.tel
Line Count: 82
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 700ab1a1-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 15-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2746140
Secure: OPEN
Status: NATIVE
Subject: YEN ACQUISITION FOR U.S. FORCES JAPAN
TAGS: MARR, EFIN, ABUD, JA, US
To: TOKYO CAMP ZAMA JAPAN
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/700ab1a1-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009